

## DPDgroup UK

### Responses to Ofcom Consultation on charges for Customer Advocacy Costs

- Question 1 - 2     DPD does not provide access nor bulk mail services, nor single piece end-to-end letter services. Instead, DPD provides a high-tech, customer-focused premium parcel courier delivery service for businesses.
- Question 3        We believe that using turnover penalises the high end parcels operators who provide additional tracking and tracing services, inflight options allowing changes to the delivery process and SMS messaging to customers. Parcel volumes would be a more appropriate and fairer allocation.
- Question 4        The pie chart on page 36 shows that 53% of the CAB costs relate directly to USO and Letters and the Post Office. It is our view that these costs should be directly borne by these service providers.
- The 24% Consumer Needs should be apportioned over the whole market based on volume and not revenue as this penalises operators who charge a premium for additional non-postal services.
- The 23% of time spent on Parcels should then be allocated to the parcel carriers on the basis of relevant parcel volumes to ensure that those carriers who service the Business market are not penalised.
- Question 5        £10 million would seem reasonable
- Question 6        We do not agree. The smaller operators are less likely to have robust customer service procedures in place and therefore will generate more CAB queries. The level should be lower at £10m and consistent with the Letter lower limit

### Question 7 – Other Comments

- B2B/B2C            On page 46 point 4.89 the point is made that “B2B is of little or no relevance to consumers, or the work of the CAB”. Given that is the case, B2B volumes should be excluded from the cross charging mechanism.
- Volumes not Revenue     DPD operate a premium courier delivery service. DPD has invested heavily in secure depots, tracking systems and an effective customer relationship programme. DPD charges a premium in the market place to reflect these additional, non-postal services. A charge based on revenue would effectively penalise DPD for the investment it has made. In addition, higher revenue does not necessarily mean a higher volume of consumer queries. The charge should be levied on the basis of volumes and in particular on the volumes attributable to those operators providing access or bulk mail services or single piece end-to-end letter services.
- “Single Piece” not Bulk     DPD’s core business is the provision of bulk parcel services to businesses. These businesses will not use the Consumer Advisory services. In DPD’s opinion only the “Single Piece end to end” market volumes should be included.

Bulk Customer  
Relationship  
Management

DPD has strong commercial relationships with its customers and in many cases is governed by Service Level Agreements. Many issues will be regulated by the SLA, but our Customer Relationship Management Team would work with the customer to resolve any issues.